



A Message from the Chair

Fall 2021

Dear Friends:

As we look toward All Saints' Day and All Souls' Day, I hope you'll join me in giving thanks to the men and women who inspired and funded The Church Pension Fund and the hundreds of people who have overseen its century-long faithfulness.

On behalf of The Church Pension Fund Board of Trustees (CPF Board), I'm pleased to share news from our September meeting. We'd like to hear from you, and I invite you to send me [comments](#).

Faithfully,



The Rt. Rev. Thomas James Brown
Chair

Strategic Planning

The CPF Board is responsible for oversight of CPG's strategic direction and makes important policy decisions that affect the products and services that CPG offers. During our September meetings, the CPF Board spent time, as it does every three years, reviewing a proposed new three-year objective and strategic initiatives to accomplish that objective. The three-year objective is focused on achieving high performance in four critical areas: CPG's people, operations, products and services, and relationships. The proposed objective will be supported by multiyear strategic initiatives and annual goals. Thorough planning ensures that CPG is on track and that it will continue to serve the Church well as the Church continues to evolve.

Enterprise Risks

The CPF Board discussed CPG's objectives and approach around enterprise risk management, which includes identifying and evaluating the most significant risks that impact CPG's ability to achieve its three-year objective and vision. One of the highest risks to our pension funds is inadequate investment returns because CPG depends on strong investment income to cover its large benefit obligations to the clergy and lay employees of the Church.

The CPF Board reviewed the many ways CPG seeks to mitigate investment risks, including maintaining a diversified investment portfolio overseen by a team of seasoned investment professionals and using sophisticated financial modeling to stress test its financial position under various scenarios, including periods of stock market volatility that occur over time. CPF has a large investment portfolio, but it also has substantial future financial obligations that it must meet for decades ahead. Stress testing the portfolio helps confirm that it has the appropriate level of assets to weather different financial markets and still meet its benefit obligations. Understanding, quantifying, and then planning to meet current and anticipated financial commitments under CPG's various benefits programs is complicated work, and we are thankful for the expertise and leadership of CPG's leadership team and its outside experts.

Diversity, Equity, and Inclusion

The CPF Board continued our work on diversity, equity, and inclusion by spending a half-day with PricewaterhouseCoopers, the outside consultants who have been collaborating with us over the past several months. Our goal is to ensure that we have an inclusive culture at our meetings so every perspective can be heard. Diversity, equity, and inclusion are priorities not only for the CPF Board but also for CPG. We see these values expressed in their work at many levels.

Group Medicare Advantage

We received another update on the rollout of the new [Group Medicare Advantage](#) program that will take effect in January 2022. The program will be managed by UnitedHealthcare, which offers improved value, lower cost, and easier benefits management. However, change can be a challenge. We received wonderful reports about early efforts to educate retirees and administrators, and we shared the handful of concerns that some of us have heard from a few individuals around the Church.

Pension Parity Review

We continued our work to respond to General Convention [Resolution 2018-A237](#). The Resolution urged CPF to examine pension parity between lay employees and clergy, between Church employees in and outside the US, and between Church employees of disparate incomes (with a focus on income inequality across gender, racial, and ethnic lines); and to consider supplemental models for the pension system to benefit lay and clergy employees while the Church works toward parity in compensation. Our report on this study is currently being drafted and will be available prior to the 80th General Convention.

Guest Speaker: Daryl J. Carter



We were blessed by the company of the founder, chairman, and CEO of Avanath Capital Management LLC, [Daryl J. Carter](#), who spoke with the CPF Board on the topic of impact investing. He discussed the long-standing relationship between Avanath and CPG and the social and financial benefits of investing in economically disadvantaged communities. You can view a [video](#) describing CPF's investment with Avanath or listen to his comments at a recent Insights and Ideas event hosted by CPG. We are proud to work with managers like Mr. Carter, who help us do good work in the world while generating the positive returns we need to keep our financial commitments.

The next meeting of the CPF Board will be from December 8 – 10, 2021.